Reviving sick/closed medium and small scale units

813. SHRl BISWA GOSWAMI; DR. BAPU KALDATE;

Will the Minister of INDUSTRY be pleased to state;

(a) the number of medium and small scale units in the country, State-wise and district-wise;

(b) the number of these units in public and private sector;

(c) whether it is a fact that a large number of medium and smal scale unis have been closed till date; if so, what are the reasons therefor; and

(d) what ateps have been taken or are proposed to be taken by Govemment to reopen or revive these sick/ closed units?

THE MINISTER OF STATE JN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM); (a) and (b) The information on the number of medium *and* small scale units in the public and private sectors State-wise and district-wise is not maintained separately in this Ministry.

(c) A number of causes, both internal and external often operating in combination have been responsible for industrial sickness. Some of the principal causes are faulty planning, management deficiencies, inefficient financial control, diversion of resources, inadequate attention to R&D, obsolescene of technology and machinery, poor industrial relations, inadequacy of demand, shortage of raw materials and other inputs and infrastructural constraints.

The information regarding the industrial units lying closed in th0 country and details pertaining to them are not centrally maintained in the Ministry. However, information which is centrally collected *hy* the Ministry of labour on factories registered under the Factories Act, 1948, which are lying closed for long or short duration is published in the Indian Labour & Journal, which is a monthly publication of the Labour Bureau, Government of India. Copies of the publication are available in the Parliament House Library.

(d) Government have announced policy guidelines for sick units in October, 1981 and the salient features of these guilelines have been given in reply to Rajya Sabha Unstarred Question No. '700 on 15-7-82. According to these guidelines, banks and financial institutions prepare rehabilitation scheme on the basis of diagnostic studies providing *inter alia,* for reconstruction of capita!, funding of interest liabilities, capital and working capital loans on softer terms, management support, relief or rescheduling of debt-service liabilities etc. Government also provide such reliefs and concessions as may be feasible and necessary an part of the rehabilitation package prepared by banks and financial institutions. In ddition, healthy units are also encouraged through Income Tax relief to take over sick units by way of amalgamation. Assistance is available under Technical Development Fund and the Import Policy for import of capital goods for modernisation and replacement of obsolete plant and machinery.

Also, "the Sick Industrial Companies (Special Provisions) Act, 1985' has been enacted which provides, *inter-alia* for timely detection of sick and potentially sick industrial units and for establishment of a quasi judicial body to be designated as the Board for Industrial and Financial Reconstruction with powers to consider suitable measures for speedy rehabilitation of potentially viable sick industrial units.